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Vol. 54 No. 5 | INTELLIGENCE | Page 45

PRESIDENT BUSH's proposal for a 90-day regulatory freeze could open the door for the aviation industry to get some relief from FAA's HIRF testing requirements. HIRF requirements were adopted several years ago as "special conditions" despite objections from the industry, which has been pushing for a new rulemaking. In response to a question at last week's budget briefing, Acting FAA Administrator Barry Harris said the intent of the 90-day freeze is to provide economic stimulus. If adoption of a new HIRF testing rule would have economic benefit, "we probably could expedite the [issuance of] the rule," he said.

AIRCRAFT ELECTRONICS ASSOCIATION and other groups have complained bitterly that current HIRF testing requirements are too stringent, discourage operators from installing new avionics and impose an "onerous economic burden...on the industry" *(BA, March 25/123)*. They also note that FAA has been promising to issue a notice of proposed rulemaking for months, but has not done so.

HARRIS also said FAA expects to send a reauthorization package to Congress in "two to three weeks" that provides for continuation of aviation user fees and funding of major FAA programs. Harris predicted that recommended funding levels for Operations/Maintenance, the Airport Improvement Program and Facilities and Equipment will remain relatively stable, but he said FAA will seek increased funding for Research, Engineering and Development.

TRANSPORTATION DEPARTMENT's fiscal 1993 budget proposal does not request funding for a new DOT headquarters building, but Acting DOT Secretary James Busey told *BA* last week such a request is likely in later years. The fiscal 1992 budget request sought an initial $69 million for the new DOT headquarters – which had a total estimated cost of $624 million – but the proposal encountered opposition and was never approved by Congress. Busey said there is no funding request in FY 1993 because "we're slowing down to take a look at the changing real estate market in the Washington area." Busey said the schedule for the new building didn't require funding in FY 1993, but he added that "you can expect a request" in future years.

BUSH PROPOSES LUXURY TAX REPEAL, INVESTMENT TAX ALLOWANCE

President Bush's proposals to repeal the luxury tax on aircraft and boats and adopt an Investment Tax Allowance to spur economic activity met with strong support from the aviation community last week, but there is concern about how long it may take Congress to adopt the Bush plan or some other economic stimulus package.

As proposed by Bush, the 10 percent luxury tax on aircraft and boats would be repealed effective Feb. 1, 1992 and there were indications last week the luxury tax repeal will receive early consideration in the Senate. Sen. Finance Committee Chairman Lloyd Bentsen (D-Tex.) agreed to hold hearings on the measure in return for withdrawal of a luxury tax repeal amendment by Sen. John Chafee (R-R.I.). Chafee had offered his amendment to a bill providing a 13-week extension of unemployment benefits, a measure Democrats are eager to pass. In return for Chafee's withdrawal of the luxury tax issue from that bill, Bentsen agreed to expedite Finance Committee hearings on the luxury tax repeal.

The luxury tax repeal has the support of both Senate Majority Leader George Mitchell (D-Me.), whose home state has lost jobs in the boating industry because of the luxury tax, and Senate Minority Leader Robert

(Continued on Page 46)

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Airport and Airway Trust Fund
Income Statement
October 1, 1991 - November 30, 1991

	Current Month	Year-to-Date
RECEIPTS		
Excise Taxes (Transferred from General Fund):		
Liquid Fuel other than Gas	$ 9,365,000.00	$ 19,375,000.00
Transportation by Air, Seats, Berths, etc.	349,051,000.00	726,025,000.00
Use of International Travel Facilities	20,763,000.00	41,596,000.00
Transportation of Property and Cargo	19,932,000.00	39,932,000.00
Gasoline:		
Commercial 9 cents tax	217,000.00	449,000.00
Non-commercial 9 cents tax	2,428,000.00	5,023,000.00
Non-commercial 2.9 cents tax	0.00	0.00
Total Tax Receipts	$ 401,756,000.00	$ 832,400,000.00
Less Reimbursement to the General Fund (Refund of Taxes and Estimated Tax Credits):		
Aircraft Use Tax	$ 0.00	$ 0.00
Aviation Fuels Commercial	0.00	2,905,650.00
Gas Retailers Tax	0.00	0.00
Total Reimbursements:		
Tax Receipts	$ 0.00	$ 2,905,650.00
Net Tax Receipts	$ 401,756,000.00	$ 829,494,350.00
Interest on Investment	$ 588,453.49	$ 1,751,479.80
Accrued Interest Income	103,289,204.85	521,056,521.77
NET RECEIPTS	$ 505,633,658.34	$ 1,352,302,351.57
OUTLAYS		
Interest on Refunds & Credits	$ 0.00	$ 0.00
NON-EXPENDITURE TRANSFERS		
Department of Transportation	$ (380,293,833.47)	$ (640,293,833.47)
National Oceanic and Atmospheric Administration (NOAA)	0.00	0.00
TOTAL NON-EXPENDITURE TRANSFERS	$ (380,293,833.47)	$ (640,293,833.47)
TOTAL OUTLAYS/TRANSFERS	$ (380,293,833.47)	$ (640,293,833.47)
SURPLUS/(DEFICIT)	$ 125,339,824.87	$ 712,008,518.10

From Treasury Department data.

(Continued on Following Page)

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Airport and Airway Trust Fund
Balance Statement
As of November 30, 1991

ASSETS		
Undisbursed Balances:		
Available for Investment	$ 662.12	
TOTAL UNDISBURSED BALANCE		$ 662.12
Receivables:		
Interest Receivables	$ 832,901,486.58	
TOTAL RECEIVABLES		$ 832,901,486.58
Investments:		
U.S. Treasury Certificates of Indebtedness		
8-1/4% matures 6/30/92	$ 15,193,672,000.00	
8% matures 06/30/92	163,614,000.00	
7-7/8% matures 06/30/92	$ 27,338,000.00	
NET INVESTMENTS		$ 15,384,624,000.00
TOTAL ASSETS		$ 16,217,526,148.70
LIABILITIES & EQUITY		
Beginning Balance	$ 15,505,517,630.60	
Net Change	712,008,518.10	
TOTAL EQUITY		$ 16,217,526,148.70
TOTAL LIABILITIES & EQUITY		$ 16,217,526,148.70

Activity Report
October 1, 1991 - November 30, 1991

	Current Month	Year-to-Date
UNDISBURSED BALANCES:		
Operations	$ 0.00	$ 75.00
Grants-in-Aid	51,624,945.25	30,679,122.80
Facilities & Equipment	(34,021,959.80)	62,343,302.88
Research Engineering Development	4,957,227.89	11,122,268.85
TOTAL UNDISBURSED BALANCE	$ 22,560,213.34	$ 104,144,769.53
EXPENSES		
Operations	$ 0.00	$ (50.00)
Grants-in-Aid	153,075,054.75	297,796,267.21
Facilities and Equipment	192,615,793.27	281,516,127.38
Research Engineering Development	12,042,772.11	25,719,837.36
NOAA Aviation Weather Services	0.00	0.00
DOT/Rental Payments	0.00	0.00
TOTAL EXPENSES	$ 357,733,620.13	$ 605,032,181.95
NON-EXPENDITURE TRANSFERS		
Department of Transportation	$ (380,293,833.47)	$ (640,293,833.47)
National Oceanic and Atmospheric Administration (NOAA)	0.00	0.00
TOTAL NON-EXPENDITURE TRANSFERS	$ (380,293,833.47)	$ (640,293,833.47)

From Treasury Department data.

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